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# INFORMATION REPORT

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1. At the end of September 1952, DIA, Fachanstalt Feinmechanik und Optik, Abteilung Marktberichte und Preise, prepared a report on the 1952 Leipzig Fair. The report summarizes impressions and observations of DIA observers; it was distributed among those East German firms which participated in the Fair and which fall under the jurisdiction of the precision optics and mechanics section of DIA.
2. The following points of interest have been extracted from the report:
  - a) DIA believes that the Moscow Economic Conference which preceded the Fair was good preparation for the Fair. The theory of the necessity of enlarging trade relations between countries of differing economic and political structures was put into practice at Leipzig.
  - b) Quality of goods exhibited was excellent. East German goods can either meet world market price competition now or prices of goods made in East Germany can be lowered without difficulty to meet the competition.
  - c) Office equipment (Bueromaschinen) of excellent quality is a particular example; its price is too high above that of the international market. East German typewriters of excellent quality can hardly be sold abroad because the world market is flooded with cheap machines. American rearmament policy is to be held responsible for this situation; the Americans are establishing typewriter factories with high production capacities within and outside of Europe. They are doing this, despite the crowded world market, because such a plant can be converted to armament production within 48 hours. The Remington Rand branch in Paris makes 50,000 machines annually; the same firm has other factories in England, Holland, Norway and Italy. When one realizes that General MacArthur is the president (sic) of the Remington firm, the connection between the American-flooded world market and the United States' armament industry becomes quite clear.
  - d) At the Fair, Arabian keyboard typewriters were in particular demand. East Germany has placed the Optima machine on the Arabian market. Direct relations were also established with Indonesian importers; 2,000 machines are to be delivered by the end of 1952.

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- e) Representatives and buyers from the following countries and areas showed interest in East German products on exhibit: France, Belgium, the Netherlands, Denmark, Sweden, Norway, Finland, Italy, Switzerland, England, Egypt, the Sudan, Lebanon, Morocco, Yemen, Indonesia, Chile, Peru, Colombia, Hong Kong, Malaya, Siam, Burma, New Zealand, Greece, and West Germany.
- f) East German cameras are of the highest quality and can easily stand world competition. Eighty percent of Ihagee<sup>1</sup> production in 1953 has already been sold; seventy to ninety percent of the 1953 Niedersedlitz<sup>2</sup> capacity is also committed. The United States is East Germany's chief camera customer since other countries lack the purchasing power necessary for such luxury articles. Fifty percent of 1953 Contax production has been committed to the United States.
- g) Optical instruments and precision measuring devices, mainly those exhibited by Zeiss Jena, attracted much attention. Medical instruments were also the subject of considerable interest. Prices of some, however, are too high to compete with West German products. Sharp competition is being offered by the Wild firm in Switzerland and by West German concerns.
- h) Czechoslovakia was the only customer for laboratory and testing equipment in quantity. This situation arises because West German firms sell high quality and cheap equipment to the western nations.
- i) Only a small number of western companies exhibited precision mechanical and optical products at Leipzig. The Federal Republic was represented by five firms, West Berlin by none. A few Swiss and French businesses exhibited their products which were mostly watches.
- j) At the Fair negotiations were initiated with Russia for the purchase of a quartz glass spectrophotograph, type KC55, to be used at the Freiburg Mining Academy.
- k) Transactions concluded at Leipzig with representatives from all parts of the world far exceeded East German expectations in contrast to the 1952 Fair, when sales fell short of expectations.

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